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RUEHSH/AMCONSUL SHENYANG 7143  
RUEAIIA/CIA WASHDC  
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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 001141

SIPDIS

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SUBJECT: TAINAN COURT ACQUITS KEY DPP PLAYER

Classified By: AIT Acting Deputy Director David H. Rank,  
for Reasons 1.4(B) and (D).

¶1. (SBU) Summary. Tainan Mayor Hsu Tian-tsai, the opposition politician most vocal in demanding a fair trial for former President Chen Shui-bian, was himself recently acquitted of corruption charges. The Tainan District Court last month ruled in favor of Hsu in a corruption case related to a local construction project. Hsu, a rising star in the opposition Democratic Progress Party (DPP) who has cultivated good relations with its various factions, has signaled he will run for re-election next year. He also is mentioned as a potential candidate to replace beleaguered DPP Chair Tsai Ing-wen next May. His acquittal and ardent support for the recently convicted former President should help keep Hsu in the public eye and atop the list of DPP politicians to watch. End Summary.

#### District Court Acquits Hsu of Corruption

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¶2. (SBU) Local media have reported widely on allegations made in 2006 by a group of Kuomintang (KMT) city councillors from Tainan City that Tainan Mayor Hsu Tian-tsai took bribes related to the construction of an underground market. Tainan District Court prosecutors indicted Hsu on charges of corruption in April 2006, but the District Court in August 2009 acquitted Hsu of all charges. Prosecutors in the case said they may appeal the decision. Hsu also was under investigation in 2008 on allegations of embezzling special affairs funds, but prosecutors ultimately decided against indictment. Hsu's acquittal came less than a month before the Taipei District Court sentenced former DPP leader Chen Shui-bian to life in prison for corruption, touching off accusations from Hsu and other opposition politicians that the former President did not get a fair trial.

#### Pushing the DPP on Chen's Defense

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¶3. (SBU) Hsu, a DPP Central Standing Committee member, has led efforts to push the opposition party to take a more public stance on the Chen trial. Two days before the verdict was issued on September 11, Hsu convinced the Committee to adopt a three-point resolution supporting the former president's right to a fair trial. In expectation of a guilty verdict, the resolution called on the Court to ensure impartiality by strictly following judicial procedures for

the selection of an appellate panel of judges. It also called for the Court to immediately release Chen from detention following the verdict. (Note: Chen remains in custody pending an expected court review on September 25, when his current two-month detention extension expires.) The resolution also designated Hsu as head of a DPP task force to evaluate measures to support Chen and protect his judicial rights.

14. (SBU) Hsu recently met with Chen's former vice president, Annette Lu; former DPP Chairman Frank Hsieh; and other opposition leaders to solicit suggestions on how the party could further back Chen. On September 16, he won the DPP Central Standing Committee's support to have party officials meet with Judicial Yuan President Lai Ing-jaw and to urge the Council of Grand Justices (Taiwan's highest judicial body) to decide whether an earlier change of judges in Chen's case was constitutional. The switch came after the original judge ordered Chen released from detention without bail and was highly controversial.

Hsu's Bright Future  
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15. (C) Hsu's name has been raised as a potential candidate to replace DPP Chair Tsai Ing-wen when her two-year term expires May 2010. Well-known DPP advisor Yao Chia-wen told AIT that Hsu, whom he described as "all talk, no action," had several high-profile options before him. Hsu's acquittal paved the way to run for re-election as Tainan mayor, where his support for Chen goes down well; to seek to replace Tsai; or to

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contend for the DPP nomination for Taipei City Mayor, a post that was a political springboard for both President Ma Ying-jeou and former President Chen.

Comment  
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16. (C) A potential run for re-election is likely one factor that influenced Hsu's decision to push the party to take a more active stance defending Chen, who remains popular in his hometown of Tainan. At the same time, Hsu is cognizant of Tsai Ing-wen and other DPP leaders' desire to distance the party from Chen himself, since even among the opposition the former president's corruption case is believed to have some merit. Hsu's ability to play to the pro-Chen hometown crowd while responding to party concerns it not be tarnished by Chen's case will go a long way in determining how far and how fast Hsu can ascend the DPP's ranks. Finally, it is worth noting that despite opposition claims of political persecution by KMT judicial apparatchiks in the Chen case the same judiciary acquitted the DPP rising star most active in pushing the former president's defense.

STANTON